Public Disclosure Authorized

Introduction and User Guide - BRT Project Financial Sustainability and Commer

Please refer to the accompanying Enhancing Financial Sustainability and Commercial Viability of BRTs in .

The copyright of this product aligns with the Enhancing Financial Sustainability and Commercial Viability

User Overview

This high-level tool has been developed for planners, decision-makers, donors and other stakeholders to make a comprehensive assessment of the commercial viability ('bankability') of a Sub-Saharan Africa BRT system, particularly with respect to 1) attracting private sector participation/investment, and 2) sustaining private sector participation/investment.

This assessment tool accompanies the "Enhancing Financial Sustainability and Commercial Viability of BRTs in Sub-Saharan African (SSA)" report. The report provides the explanations and details of the terms, the analytical context, methodology, the overview of SSA BRT systems, the in-depth case studies, and the factor identification and analysis as essential references for the application of this tool.

This assessment tool, together with the report, provides guidance for users to assess the key factors affecting the financial sustainability and commercial viability of BRTs in SSA in a systematic framework.

Public Disclosure Authorized

Assessment

The factors affecting the financial sustainability and commercial viability of BRTs in SSA are categorised into 9 groups, including 1) fiscal capacity, 2) legal and regulatory framework, 3) market dynamics, 4) system design and business model, 5) policy and political will, 6) institutional capacity, 7) participation model, 8) incumbent operators, and 9) adjacent value.

This tool consists of 9 assessment dimensions. In each assessment dimension, there is a series of questions framed to interrogate key factors that will influence the commercial viability and financial sustainability of the BRT system under assessment.

The user of the tool should answer each of the questions proposed.

Assessment starts at worksheet "1.1 Fiscal Capacity", and continues through nine dimensions to worksheet "1.9 Adjacent Value". For each question, the user of the tool is provided with 3 possible answers under each factor in multiple-choice style, from which they should select the scenario that most closely describes the BRT system's current situation.

Tool Mechanics

Scores applied to each answer range from 3 (for the answer representing the best possible scenario) to 1 (for the answer representing the worst scenario).

Score 1 means the answer representing the worst possible scenario and corresponding factor has a significant negative impact on the commercial viability and financial sustainability of the BRTs.

Score 2 means the answer representing the possible scenario and corresponding factor has a slightly negative impact on the financial sustainability and commercial viability of the BRTs. Nonetheless, the negative impact can be mitigated by existing fiscal, political, financial, and project technical and management tools of the stakeholders.

Score 3 means the answer representing the best possible scenario and corresponding factor has a positive impact on the commercial viability and financial sustainability of the BRTs.

These scorings are used to rate each question according to a traffic light rating, and then added up and averaged to provide an overall factor score - green = score above 75%, yellow = score between 50% and 75%, and red = score of 50% or below. Finally, the tool estimates an overall 'commercial viability and financial sustainability ' score for the assessed BRT system, utilising the individual factor scores.

Commercial Viability and Financial Sustainability Scorecard

Once the user has answered each question across all the factors, the results of the assessment are provided in the worksheet "Score Card". Three possible answers are corresponding to each question. Each answer is assigned a score, measuring its impact of the possible answer on the financial sustainability and commercial viability of the BRTs. The overall results are communicated utilising a traffic light indication (green - yellow - red), representing the impacts of a specific factor (positive-neutral-negative) on the commercial viability and financial sustainability of the BRT system.

Utilising the questions and factor ratings, an overall system commercial viability and financial sustainability score is also provided, using the same red-yellow-green modality.

A red rating indicates a system that will require significant work in several areas for it to have a chance of becoming commercially viable and financially sustainable.

A yellow rating indicates a system that, with further focus on areas of deficiency, has a good likelihood of becoming commercially viable and financially sustainable.

Tool Expansion

It should be kept in mind that this tool is high-level and relatively generic in its assessment in order to be applicable after a BRT concept is conceived as urban mobility solution, and to a wide variety of possible BRT and BRT-Lite scenarios. As additional case studies are completed, it is possible to expand this tool with additional questions/responses, and/or refine the existing questions with additional nuance and specificity.

For this reason, the tool has been designed to be adaptable and modular:
- The factor questions, and the multiple-choice answers to each question, can be refined and changed. Changes within the current tabular bounds will automatically be reflected in the questionnaire work-sheets.
- Extra questions can be added by expanding the bottom of each factor table in the framework, and updating the total scoring formulae (additional added questions will impact on the overall unweighted and weighted scores for the factor in question, and the formulae need to be modified.

Modularity

- The factor questions, and the multiple choice answers to each question, can simply be refined and changed. Changes will automatically be reflected in the questionnaire sheets
- Extra questions can be added, by simply expanding the bottom of each factor table, and updating the total scoring formuae at the bottom of each table). Any new questions (and multiple choice answers) added, will need to be manually linked into their respective questionnaire sheets.

Factor for fur usage and outputs of t

his tool

Assessment - B

This is an inputs a

Modifiable Inputs

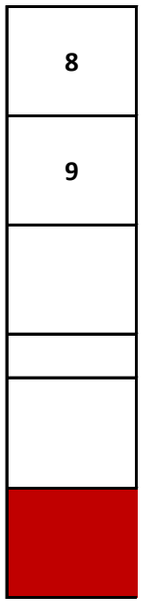
- factor name
- factor questions
- question answers
- question scores (from
- factor and question w

a
b

c
d
e

f

1
2
3
4
5
6
7


8
9

RT Project Financial Sustainability and Commercial Viability Tool

nd calculations framework - DO NOT EDIT WITHOUT GUIDANCE

1 - 3)
eightings

Fiscal Capacity	
Overall factor weight	1
Is government (and supporting stakeholders, such as donors and developmental banks) funding for the development, implementation, and operation of the new BRT system legally secure?	1
Fully secure (signed and legally formalised/adopted/gazetted) in both the short and long-term	3
Some uncertainty and/or risks remaining to short and/or long-term funding security (such as indicative or in-principal funding commitments, but yet to be formalised)	2
Significant uncertainty and/or risks to short and/or long-term funding security (limited committed or legally formalised funding in place)	1
Does government have the fiscal capacity (balance sheet health, good track record of collaboration with donors/DFIs) to mobilise additional and alternative finance for the BRT system on practical terms, either internally or externally?	1
Government could mobilise significant additional financing, as required	3

Government could mobilise additional financing, but it would likely be constrained or on less-than-optimal terms	2
Government has limited ability to mobilise additional financing	1
Has government planned and/or implemented mechanisms to mitigate against financial risk in the new BRT system? (eg. guarantees, ring-fenced cash-flows, currency hedging, etc)?	1
Several comprehensive and robust mechanisms have been implemented	3
Mechanisms have been planned, but still need to be implemented to ensure the financial sustainability	2
Few, if any, mechanisms have been considered	1
Does government have a financial track record in implementing and operating (including servicing financial commitments) large infrastructure projects of similar nature to the new BRT system?	1
Implemented similar projects with private sector participation in the last 10 years	3
Implemented some projects with partial similarities, with or without private sector participation, in the last 10 years	2
Limited implementation experience, or unsuccessful implementation of similar projects with or without private sector participation in the last 10 years	1
Are the necessary fiscal and fiduciary relationships and mechanisms in place between government stakeholders (eg. to allow for the flow and governance of funds between city, provincial, and/or national entities) to facilitate effective, efficient, and sustainable project funding?	1
All necessary relationships and mechanisms, benchmarked against international best practice, are in place and functional	3

Some of the relationships and mechanisms are in place and functional, but additional work required, including further testing of efficacy	2
Limited number, if any, of the required relationships and mechanisms are in place, and/or international best practice has not been considered	1
Is the broader fiscal environment (financial and economic outlook) in the city and country likely to be attractive to private sector participants to the new BRT system (is the city/country seeing strong and sustainable economic growth which supports prospects for return on investments)?	1
Financial and economic prospects are currently very conducive to private sectory investment and business	3
With the right initiatives creating appropriate enabling conditions, private sector participants could be attracted	2
The current fiscal and economic situation would make it very difficult to attract private sector participants	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

OVERALL SYSTEM SCORE	**Total Score**
Fiscal Capacity	12
Legal and Regulatory Framework	19
Market Dynamics	18
System Design and Business Model	24
Policy and Political Will	11
Institutional Capacity	10
Participation Model	7

Incumbent Operators	9
Adjacent Value	5
TOTAL	115
	Overall Sc unwe
OVERALL SYSTEM	**72**

Unweighted Score	Weighted Score	
2	2	**a**
2	2	**b**

3	3	**c**
1	1	**d**
2	2	**e**

2	2

f
g

12	12	
18	18	
66.7%	**66.7%**	

Max Possible	Factor Weight	Weighted Score	Weighted Max
18	1	12	18
21	1	19	21
21	1	18	21
30	1	24	30
12	1	11	12
18	1	10	18
12	1	7	12

18	1	9	18
9	1	5	9
159	9	115	159
ore (factors ighted)		**Overall Score (factors weighted)**	
.3%		**72.3%**	

Legal and Regulatory Framework	
Overall factor weight	1
Is a clear, organised, and efficient legal process in place for the arrangement, procurement, and operation of private sector participation in the BRT system?	1
The process is established and tested, and allows the involvement of private sector participants	3
A process is in place, but it is untested or has faced challenges in faciliation of private sector participation	2
The process is very administratively and resource intensive	1
Are the legal and regulatory provisions agnostic with respect to the nature, such as nationality, of the private sector participant (eg. impartial and fair to an international participant)?	1
The legislation does not impose special restrictions on the nature of the participant, such as international or local private sector participation	3

There are some restrictions in place which distinguish between the nature of participants, but these are not overly burdensome or prejudicial	2
Special restrictions are in place, such as the compulsory requirement for some significant level of local participation	1
Is the authorisation in place to implement the compensation for incumbent operators and/or related affected stakeholders?	1
There are no mandated requirements for incumbent operator compensation in the new BRT system	3
There is preparation for incumbent operator compensation through an ongoing negotiations process, but limited regulatory directive for such	2
There are clear provisions that enforce the compensation of incumbent operators in the new BRT system	1
Does the city/country have a regulatory track record in procuring, implementing, and sustaining private sector participation in large infrastructure projects of similar nature to the new BRT system?	1
Implemented similar projects with private sector participation in the last 10 years	3
Implemented some projects with partial similarities in the last 10 years	2
Limited implemntation experience, or unsuccessful implementation of similar projects, in the last 10 years	1
Does the legal and regulatory framework stipulate the requirements and responsibilities for government in implementing and operating a new BRT system?	1
There are clear provisions that establish government's role and responsibilities that are transparent and complementary to private sector's role	3

The legislation attempts to define government's roles and responsibilities, but is not tested or has faced challenges in practice	2
There is limited legislation establishing government's role and responsibilities, and/or it is not transparent or does not position government to complement private sector	1
Based on the World Bank's 'Ease of Doing Business' analysis (www.doingbusiness.org), is the broader business regulatory environment (eg. key employment laws, tax obligations, investment protection regulations, foreign exchange controls, and similar?) in the city/country conducive to efficient private sector participation?	1
The broader business regulatory environment is well established, and enables and promotes effective private sector participation in the economy	3
Efforts have been made to improve the operational regulatory environment for private business, but several constraints still exist	2
The broader business regulatory environment is currently relatively restrictive and onerous on private sector business	1
Does the legal and regulatory framework provide enforceable rights for private sector participants to secure/protect their investments (eg. step-in rights)?	1
The legal and regulatory framework provides strong mechanisms for private sector participants to enforce their rights and protect their investments	3
The legal body provides some means of enforcement and protection for private sector participants, but these are currently not as strong as in other markets	2
The legal and regulatory framework provides little protection or recourse for private sector participants to secure/protect their investments	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

Unweighted Score	Weighted Score	
3	3	**a**
3	3	**b**

3	3	**c**
1	1	**d**
3	3	**e**

3	3
3	3

f
g

19	19
21	21
90.5%	**90.5%**

Market Dynamics	
Overall factor weight	1
Are the volumes and patterns of demand in the new BRT system's targeted corridors and catchment areas sufficient (current and projected) to support the system's roll out?	1
Demand for BRT services is high and demand patterns in the targeted areas conducive towards high operational efficiencies	3
Demand for BRT services is average and/or demand patterns may generate some inefficiencies in the BRT system's operations	2
Demand is low and demand patterns are not conducive to operational efficiencies	1
What is the new BRT system's capacity to meet demand?	1
System capacity has been carefully designed to closely match current and conservatively-projected demand volumes and patterns	3

Current and projected demand exceeds the system's capacity, leaving room for further optimisation	2
System capacity exceeds current demand by some margin, and is exacerbated by highly directional patterns of demand	1
What is the willingness or ability of the new BRT system's targeted market to pay for services rendered?	1
The market is predominantly able to afford, and willing to pay for, services offered by the system	3
The market varies in its ability to afford, and willingness to pay for, the offered services	2
The system is prioritising services for the most disadvantaged sectors of society, who have very limited ability and willingness to pay	1
Does modelling and market-sounding indicate that the new BRT system's revenues and margins (underpinned by demand, capacity, and willingness/ability to pay) would support and be attractive to private sector participation?	1
Analysis and soundings have indicated the system will generate sufficient and sustainable revenue and margin to be attractive to private sector	3
Additional analysis and soundings still need to be completed, and/or have indicated marginal attractiveness to private sector	2
Analysis and soundings have not been conducted, or have indicated that the system's commercial model would not be attractive to private sector	1
Will the new BRT system fare levels be dynamically adjusted, on an ongoing basis, to ensure the system can optimise profitability?	1
The BRT system's fare levels will be set and adjusted on a regular basis to ensure optimal revenue and profit generation	3

Profitability will be one of several factors, including affordability and accessibility, which will inform fare level adjustments on a regular basis	2
Profitability is a secondary factor in setting fare levels, with affordability and accessibility the first priority	1
Will fare levels for the new BRT system be controlled in a manner disconnected from market forces (eg. increased operational costs)?	1
Fare levels will be dynamic, and adjusted according to operational market forces without influence from external factors	3
Some consideration will be given to market forces, but fare levels will likely be externally influenced by non-market factors	2
Fare levels will be strongly controlled, likely in a manner inconsistent with changes that would be in line with market forces	1
Has the demand for the new BRT system been projected in a sound and credible manner, with full consideration for local context and the experience of similar projects?	1
System demand has been comprehensively researched, surveyed, modelled, and benchmarked against similar systems while conservatively adjusting for local dynamics	3
System demand has been projected in a reasonably confident manner; however, there are still some gaps to fill and/or assumption testing to be conducted	2
System demand projections are currently not robust , with limited underlying surveying, modelling, and benchmarking completed to date	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

Unweighted Score	Weighted Score	
3	3	**a**
3	3	**b**

3	3	**c**
2	2	**d**
2	2	**e**

2	2
3	3

f
g
h

i
j

18	18
21	21
85.7%	**85.7%**

System Design and Business Model	
Overall factor weight	1
Is the new BRT system aligned with master strategies and planning for land use, mobility, and related development?	1
The design of the new BRT system is fully aligned with all relevant and applicable strategies and plans for development	3
The design of the new BRT system is partially compliant for relevant and applicable strategies and plans, but additional alignment is required	2
Minimal consideration has to date been given to overarching master strategies and plans for land use, mobility, and development	1
Is the design of the new BRT system sufficiently flexible, to allow for future expansion and changes as may be desired (eg. to integrate with other modes of transport or upgrade with newer technology such as electric vehicles)?	1
The new BRT system has been designed from the outset with full adaptability for future expansion, modifications, and/or upgrades	3

Some ability to expand and /or modify the system has been built into its design, but this is not comprehensive	2
The new BRT system's ability to be expanded, modified, or upgraded has not be considered, or is very limited	1
Have all direct and indirect risks to the new BRT system in design, financing, implementation, operations, and maintenance (including environmental, climate, and social) been identified, fully quantified/qualified, and appropriate mitigative actions been put in place?	1
All major possible risks have been flagged, their impact considered, and necessary plans to counter these risks implemented	3
Several major risks have been flagged, but additiona characterisation is required, and mitigative actions need to be expanded	2
The new system's risk assessment is limited and/or incomplete, and mitigative plans still need to be considered and integrated	1
Is the new BRT system clearly and comprehensively described in formal plans and related documents (such as a business plan, design plans, cost and financial models, environmental impact assessment, etc) to allow prospective private sector participants a comprehensive understanding?	1
The new BRT system is fully and clearly specified across all elements	3
Some parts of the new BRT system have been fully specified, but not all	2
The new BRT system has been minimally specified in a formal manner across all elements	1
Has the business model for the new BRT system been robustly and comprehensively stress-tested, and are the underlying assumptions reasonable and defensible?	1
The business model has gone through several, heavily scrutinised iterations, and the assumptions have been regularly tested against practical scenarios	3

The business model is believed to be robust, but there is room for further refinement and testing of the assumptions	2
The business model is optimistic in its projections, and the underlying assumptions have been subjected to limited testing	1
Has the business model of the new BRT system been designed with private sector participation/investment in mind, and is it ready to receive such participation and investment?	1
The new BRT system has been designed for private sector participation, and is ready for such	3
The system has been designed for private sector participation, but is not yet ready to receive such	2
The system has not been designed for private sector participation	1
Has competition (where relevant, such as from existing informal public transport providers, or private sector services) to the new BRT system, and its impact on operational efficacy and return, been fully considered and factored into the design?	1
All competitive pressures have been fully identified and quantified, and the new BRT system designed to offer compelling advantages over such competition	3
Some of the competitive pressures have been considered and factored into the design, but it is possible additional pressures will have an impact on the system	2
Limited consideration has been given to competition to the new system, and the design has not been explicitly shaped to offer advantages over such	1
Have all revenue opportunities been explored (variable fares, advertising, leasing of shop space in stations/terminals, etc) and where suitable, been developed and incorporated into the new BRT system's business model?	1
All possible revenue streams have been feasibly quantified and incorporated into the new BRT system's business model	3

Some revenue streams (in addition to fares), have been developed into the business model, but there are likely others to consider	2
Very few, if any, revenue streams aside from fares, have been explored and incorporated into the new BRT system's business model	1
Do the projected outcomes of the new BRT system business and financial model, specifically with regards to indicators around projected revenue and costs over the lifecycle, align with local and international BRT experience in a similar context (spatial form, travel demand, demographic, socioeconomic, etc.)?	1
Projected outcomes of the new BRT systems business and financial models line up closely with local and international contemporaries	3
There is some alignment of the projected outcomes between the new BRT system and contemporaries, but differences may be cause of concern	2
Projected outcomes of the new BRT systems business and financial models differ substantially from those of local and international contemporaries	1
Is the new BRT system projected to generate regular profit over its lifecycle?	1
The new BRT system is expected to generate regular operational profit over its lifecycle	3
The new BRT system is not expected to generate regular profit over its lifecycle, but will generate enough revenue to cover a substantial portion of its costs	2
The new BRT system is not expected to generate any profit over its lifeycle, and will incur a significant cost shortfall	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

Unweighted Score	Weighted Score	
3	3	**a**
3	3	**b**

3	3	**c**
3	3	**d**
2	2	

3	3	
1	1	
2	2	

1	1	
3	3	

24	24
30	30
80.0%	**80.0%**

Policy and Political Will	
Overall factor weight	1
Amongst key government and related stakeholders, does consensus and will exist to push the new BRT project towards successful implementation and sustainable long-term operations?	1
There is strong and broad will towards ensuring the success of the new BRT system, and it is widely seen as a flagship project	3
Strong pockets of will exist amongst certain government stakeholders to drive successful development of the new BRT system, but this will is lacking in some other key stakeholders	2
Limited and/or irregular will has been demonstrated by government stakeholders to ensure the new BRT system's success	1
Are key stakeholders(financiers, government agencies, operators, developers and suppliers, etc.) and their mandates and objectives clearly identified, and are these consistent with the new BRT system?	1
All relevant stakeholders and role-players have been identified and characterised, and a large majority are consistent with the new BRT system	3

Some of the relevant stakeholders and role-players have been identified and characterised, and/or a number of them are inconsistent with the new BRT system	2
Few relevant stakeholders and role-players have been identified and characterised, and/or a large majority are inconsistent with the new BRT system	1
Do over-arching city and country developmental policies and strategies support and promote private sector participation in key projects such as the new BRT system?	1
There is strong alignment in development policies and strategies in support of private sector participation in the new BRT system	3
Some development strategies and policies promote private sector participation in the new BRT system, however other key documents do not	2
Developmental policies and strategies, either explicitly or implicitly, do not offer support for private sector participation in the new BRT system	1
Is there strong and sustainable political support for private sector participation in key projects such as the new BRT system?	1
There is strong and broad political support for private sector participation in the new BRT system, and this is likely to persist over the long-term	3
Political support for private sector participation in the new BRT system exists; however, it is not broad-based	2
There has been no open political support for private sector participation in the new BRT system, and there may even be hostility towards the concept	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

Unweighted Score	Weighted Score	
3	3	**a**
3	3	**b**

3	3	**c**
2	2	**d**
		e

f

11	11
15	12
73.3%	**91.7%**

Institutional Capacity	
Overall factor weight	1
Are appropriate institutional structures in place, defining and linking the roles of relevant government stakeholders (such as between national, provincial, local levels of government, and authorities overseeing public transport, roads, land, finance/treasury, BRT management agency, enforcement, etc.) to implement and manage the new BRT system?	1
All required institutional structures and mandates are in place to faciliate implementation and management of the new BRT system	3
A number of the institutional structures and mandates are in place, however some still need to be established to ensure implementation and management of the new BRT system	2
Few structures, linkages, and mandates are in place across the relevant institutions to ensure the implementation and management of the new BRT system	1
Does government have sufficient capacity and expertise to sustainably and successfully fulfil its role in implementation and management of the new BRT system (e.g. qualified individuals and authorities overseeing urban and public transport, roads and infrastructure, land planning and development, policing and enforcement, finance, dedicated BRT management, etc)?	1
Sufficient capacity and expertise is in place to oversee implementation and management of the new BRT systems from government's side	3

Some of the required capacity and expertise is in place, but more must be done to ensure successful implementation and management of the new BRT system from government's side	2
Limited expertise and capacity is in place, and/or uncertainty exists as to the expertise and capacity required to implement and manage the new BRT system from government's side.	1
Does government have sufficient capacity and expertise to sustainably facilitate and manage private sector participation in the new BRT system? (such as a public-private partnership authority, BRT management agency?)	1
Government has the necessary institutional expertise and capacity to facilitate and manage private sector participation in the new BRT system	3
Some of the necessary capacity and expertise is in place, but more must be done to ensure successful facilitation and management of private sector participation in the new BRT system	2
Limited expertise and capacity is in place, and/or uncertainty exists as to the expertise and capacity required to facilitate and manage private sector participation in the new BRT system	1
Is an experienced and fully capacitated leadership/management cohort in place - a dedicated BRT management entity - with a clear mandate, to manage implementation and operation of the new BRT system?	1
A fully capacitated leadership and management team is in place to oversee implementation and operation of the new BRT system	3
Portions of the leadership and management team are in place, but optimal oversight of the new BRT system will require additional expertise	2
Limited appropriate leadership and management capacity is in place to oversee implementation and operation of the new BRT system	1
Are there effective plans and systems in place to retain and build government management capacity over the lifecycle of the new BRT system?	1
Robust plans and systems for long-term, sustainable capacity building and retention over the life time of the new BRT system have been established	3

Some plans have been developed, but there has been limited translation of these into effective systems to ensure sustainable management capacity over the new BRT system's life time	2
Plans and systems for long-term, sustainable capacity building and retention over the life time of the new BRT system have not yet been established	1
Does government have a track record of delivering and managing large, multi-faceted, and multi-stakeholder flagship projects of similar nature to the new BRT system?	1
Government possesses a track record of successfully delivering and managing similar multi-stakeholder projects over the last 10 years	3
Government possesses a track record of successfully delivering and managing projects with partial multi-stakeholder similarities over the last 10 years	2
Government has no/limited experience, or unsuccessful experience, of implementation of similar multi-stakeholder projects in the last 10 years	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

Unweighted Score	Weighted Score	
1	1	**a**
2	2	**b**

3	3	**c**
1	1	**d**
2	2	

1	1

10	10
18	18
55.6%	**55.6%**

Participation Model	
Overall factor weight	1
How will the private sector participant(s) be remunerated in the new BRT system?	1
Private sector participant(s) will primarily be remunerated through payments from government and/or guaranteed business revenue	3
Private sector participant(s) will be remunerated through their a combination of business revenue and payments from government	2
Private sector participant(s) will primarily be remunerated through their generation of unguaranteed business revenue	1
Relative to the overall requirements of the new BRT system, what level of upfront investment will be required from private sector participant(s), equating to their overall financial exposure in the project?	1
A low proportion (less than 20% of total costs) of upfront investment will be required from private sector participant(s)	3

A medium proportion (20% to 60% of total costs) of upfront investment will be required from private sector participant(s)	2
A high proportion (more than 60% of total costs) of upfront investment will be required from private sector participant(s)	1
What level of return on investment or profit margin is nominally on offer to private sector participant(s)?	1
A high level of return/margin, which nominally has the possibility of exceeding typical market returns in comparable opportunities	3
A level of return/margin in line with typical market returns in comparable opportunities	2
A low level of return/margin, which nominally has the possibility of being below typical market returns in comparable opportunities	1
Does the level of return on investment on offer to the private sector participant provide government, third-party stakeholders (such as donors), and ultimately the public with value for money compared to alternatives?	1
The level of return on offer is high relative to comparable systems and alternative initiatives, making the investment attractive to private sector	3
The leve of return on offer is approximately on par with what could be expected, based on comparable systems and alternative initiatives	2
The level of return on offer provides stakeholdes with very good value for money, relative to other comparable systems and alternative initiatives	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

Unweighted Score	Weighted Score	
2	2	**a**
3	3	**b**

1	1	**c**
1	1	**d**
		e

f

7	7
12	12
58.3%	**58.3%**

Incumbent Operators	
Overall factor weight	1
Are there existing public transport providers, particularly in the informal sector, who will be impacted by the roll-out of the new BRT system?	1
There is a limited informal public transport sector, and/or the impact on their operations by the new BRT system will be minimal	3
An informal public transport sector exists and there will be some impact on their operations by the new BRT system, but this will not be major	2
An extensive and entrenched informal public transport sector exists, and will be highly impacted by the new BRT system	1
Without any intervention (such as licence and operational regulation, law enforcement, and physical segregation infrastructure), would existing public transport providers likely operate in competition to, and have a negative influence on, the new BRT system?	1
Existing operators will not operate in competition, and will have limited wider impact on the new BRT system	3

Some of the existing operators may operate in competition to the new BRT system, and have some negative influence, but the impacts of both will not be significant	2
Existing operators will operate in competition to the new BRT system and could use their influence detrimentally against the new BRT system	1
Has an incumbent operator participation model, for partial or full integration into the new BRT system, been considered?	1
A comprehensive and robust model has been developed, and the integration process is well underway	3
A participation model has been considered, but the integration process is still in its infancy	2
Participation/integration has not been fully considered, or it has been deemed unncessary	1
Are affected incumbent operators generally amenable to participation/integration into the new BRT system?	1
Affected operators are very open to participation/integration within the new BRT system, and engagements have progressed significantly	3
Affected operators have expressed a willingness to explore participation/integration, but have not yet fully bought into the concept and/or engagements are still in early stages	2
Affected operators do not have appetite for participation/integration, and/or engagements have been difficult and hostile with little common ground found	1
Will participation/integration of affected incumbent operators have a financial implication for the new BRT system?	1
Participation/integration of the affected incumbent operators will not require any additional investment by government and/or private sector participants	3

Participation/integration of the affected incumbent operators will require specific investment by government, but not from private sector participants	2
Participation/integration of the affected incumbent operators will require specific investment by government and private sector participants	1
Does government have the plans, processes, structures, and funding (such as that to enable and oversee engagement and negotiations, business formalisation and capacitation, integration strategy, and operational performance) in place to sustainably support and manage incumbent operator participation/integration over the new BRT system lifecycle?	1
Comprehensive support and management systems are in the process of, or have been, implemented	3
Consideration has been given to the need for these support and management systems, but design is still underway and only some of the systems are in the process of implementation	2
The need for such systems has not been given full consideration, and/or development of such systems has been limited	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

Unweighted Score	Weighted Score	
1	1	**a**
1	1	**b**

2	2	**c**
2	2	
1	1	

2	2

9	9
18	18
50.0%	**50.0%**

Adjacent Value	
Overall factor weight	1
In developing and operating the new BRT system, are there tangential opportunities that emerge to generate additional value in the wider ecosystem (eg. land value capture through property development, data value capture through technology deployment, or green value capture through roll-out of renewable energy solutions)?	1
The new BRT system will enable significant adjacent opportunities, several of which have already been identified and quantified as technically practical and commercially viable	3
A number of potential adjacent value opportunities have been identified, but to date only a small number have been quantified as bankable and significant	2
There are limited adjacent value opportunities, and/or the opportunities are not expected to generate significant extra value in the system	1
Will it be feasible to bundle any viable adjacent value opportunities with implementation and operation of the new BRT system, to boost overall commercial viability?	1
Bundling of viable adjacent value projects within the new BRT system is planned and/or already underway, and will substantially boost overall commercial returns	3

Bundling of viable adjacent value projects within the new BRT system is being considered, and/or there are some good project candidates, but the process is still in the early stages	2
Such bundling has not been considered, and/or there is limited opportunity for such bundling to generate significant additional commercial value	1
If plans exist to bundle adjacent value opportunities into the implementation and operation of the new BRT system, is the private sector participation model(s) to be employed designed to facilitate and optimise such bundling?	1
This has been, or is in the process of being, fully considered, and the modalities of private sector participation in the new BRT system will fully leverage the adjacent value generated	3
There is a desire to improve commercial prospects for private sector participation through adjacent value bundling, but the optimal modalities to achieve this still need to be fully explored	2
Limited thought has been given to the specific participation models required to leverage adjacent value for private sector participation	1

TOTAL	
Maximum total possible	
FACTOR UNWEIGHTED AND WEIGHTED SCORE	

Unweighted Score	Weighted Score
2	2
2	2

1	1

5	5
9	9
55.6%	**55.6%**

Stage 1

Fisca
The c cons fund
a
b
c
d
e
f

1.1 - Detailed Assessment - BRT Project Financial Sustainability and Commercia

al Capacity

capacity of government (and supporting stakeholders) to effectively meet their financial com
ideration of issues such as the source and security of funding, any mechanisms in place to m
ing.

Is government (and supporting stakeholders, such as donors and developmental banks) funding for the development, implementation, and operation of the new BRT system legally secure?
Does government have the fiscal capacity (balance sheet health, good track record of collaboration with donors/DFIs) to mobilise additional and alternative finance for the BRT system on practical terms, either internally or externally?
Has government planned and/or implemented mechanisms to mitigate against financial risk in the new BRT system? (eg. guarantees, ring-fenced cash-flows, currency hedging, etc)?
Does government have a financial track record in implementing and operating (including servicing financial commitments) large infrastructure projects of similar nature to the new BRT system?
Are the necessary fiscal and fiduciary relationships and mechanisms in place between government stakeholders (eg. to allow for the flow and governance of funds between city, provincial, and/or national entities) to facilitate effective, efficient, and sustainable project funding?
Is the broader fiscal environment (financial and economic outlook) in the city and country likely to be attractive to private sector participants to the new BRT system (is the city/country seeing strong and sustainable economic growth which supports prospects for return on investments)?

note on the government

ıl Viability Tool

ımitments and obligations over the lifecycle of the BRT project program. This includes
ıtigate risks to that funding, and the ability of government to raise and effectively deploy

Please answer all questions using the drop-down lists below to select the answer which most closely describes the current situation, and provide the corresponding rationale and evidence in the "Answer Justification" column.

Some uncertainty and/or risks remaining to short and/or long-term funding security (such as indicative or in-principal funding commitments, but yet to be formalised)
Government could mobilise additional financing, but it would likely be constrained or on less-than-optimal terms
Several comprehensive and robust mechanisms have been implemented
Limited implementation experience, or unsuccessful implementation of similar projects with or without private sector participation in the last 10 years
Some of the relationships and mechanisms are in place and functional, but additional work required, including further testing of efficacy
With the right initiatives creating appropriate enabling conditions, private sector participants could be attracted

Answer Justification

Stage 1

Lega
The l relat gove
a
b
c
d
e
f

g

1.2 - Detailed Assessment - BRT Project Financial Sustainability and Commerci

al and Regulatory Framework

legal provisions and regulatory frameworks that enable BRT development, and allow for ar
ed to the ability of private sector to participate, any requirements for local participation (i
rnment, and its track record in implementing private sector participation in comparable in

Is a clear, organised, and efficient legal process in place for the arrangement, procurement, and operation of private sector participation in the BRT system?
Are the legal and regulatory provisions agnostic with respect to the nature, such as nationality, of the private sector participant (eg. impartial and fair to an international participant)?
Is the authorisation in place to implement the compensation for incumbent operators and/or related affected stakeholders?
Does the city/country have a regulatory track record in procuring, implementing, and sustaining private sector participation in large infrastructure projects of similar nature to the new BRT system?
Does the legal and regulatory framework stipulate the requirements and responsibilities for government in implementing and operating a new BRT system?
Based on the World Bank's 'Ease of Doing Business' analysis (www.doingbusiness.org), is the broader business regulatory environment (eg. key employment laws, tax obligations, investment protection regulations, foreign exchange controls, and similar?) in the city/country conducive to efficient private sector participation?

Does the legal and regulatory framework provide enforceable rights for private sector participants to secure/protect their investments (eg. step-in rights)?

al Viability Tool

ıd govern private sector participation in the project. This includes consideration of issues ncluding incumbent operators), legal mechanisms to facilitate participation, the role of itiatives.

Please answer all questions, using the drop-down lists below to select the answer which most closely describes the current situation, provide the corresponding rationale and evidence in the "Answer Justification" column.

A process is in place, but it is untested or has faced challenges in faciliation of private sector participation
The legislation does not impose special restrictions on the nature of the participant, such as international or local private sector participation
There are no mandated requirements for incumbent operator compensation in the new BRT system
Limited implemntation experience, or unsuccessful implementation of similar projects, in the last 10 years
There are clear provisions that establish government's role and responsibilities that are transparent and complementary to private sector's role
The broader business regulatory environment is well established, and enables and promotes effective private sector participation in the economy

The legal and regulatory framework provides strong mechanisms for private sector participants to enforce their rights and protect their investments

Answer Justification

Stage 1

Mar
The p relat
a
b
c
d
e
f

g

1.3 - Detailed Assessment - BRT Project Financial Sustainability and Commerci

rket Dynamics

passenger market demand dynamics, and its capacity to afford the service, as core determ
ed to the size and spending power of (serviced portions of) the commuter market, fare lev

Are the volumes and patterns of demand in the new BRT system's targeted corridors and catchment areas sufficient (current and projected) to support the system's roll out?
What is the new BRT system's capacity to meet demand?
What is the willingness or ability of the new BRT system's targeted market to pay for services rendered?
Does modelling and market-sounding indicate that the new BRT system's revenues and margins (underpinned by demand, capacity, and willingness/ability to pay) would support and be attractive to private sector participation?
Will the new BRT system fare levels be dynamically adjusted, on an ongoing basis, to ensure the system can optimise profitability?
Will fare levels for the new BRT system be controlled in a manner disconnected from market forces (eg. increased operational costs)?

Has the demand for the new BRT system been projected in a sound and credible manner, with full consideration for local context and the experience of similar projects?

note: ridership threshold -ITDP BRT manual

al Viability Tool

inants of revenue generation and profit margin. This includes consideration of issues
'els, and demand projections.

Please answer all questions, using the drop-down lists below to select the answer which most closely describes the current situation, provide the corresponding rationale and evidence in the "Answer Justification" column.

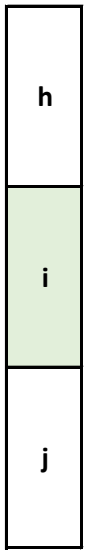
Demand for BRT services is high and demand patterns in the targeted areas conducive towards high operational efficiencies
System capacity has been carefully designed to closely match current and conservatively-projected demand volumes and patterns
The market is predominantly able to afford, and willing to pay for, services offered by the system
Additional analysis and soundings still need to be completed, and/or have indicated marginal attractiveness to private sector
Profitability will be one of several factors, including affordability and accessibility, which will inform fare level adjustments on a regular basis
Some consideration will be given to market forces, but fare levels will likely be externally influenced by non-market factors

System demand has been comprehensively researched, surveyed, modelled, and benchmarked against similar systems while conservatively adjusting for local dynamics

Answer Justification

Stage 1

Syst
The s oper risks,
a
b
c
d
e
f
g


h
i
j

1.4 - Detailed Assessment - BRT Project Financial Sustainability and Commerci

:em Design and Business Model

system's technical ability to attract and support private sector participation, and cater for t
ational model and design. This includes consideration of issues related to means of genera
, alignment with land use and mobility planning, and the impact of competition.

Is the new BRT system aligned with master strategies and planning for land use, mobility, and related development?
Is the design of the new BRT system sufficiently flexible, to allow for future expansion and changes as may be desired (eg. to integrate with other modes of transport or upgrade with newer technology such as electric vehicles)?
Have all direct and indirect risks to the new BRT system in design, financing, implementation, operations, and maintenance (including environmental, climate, and social) been identified, fully quantified/qualified, and appropriate mitigative actions been put in place?
Is the new BRT system clearly and comprehensively described in formal plans and related documents (such as a business plan, design plans, cost and financial models, environmental impact assessment, etc) to allow prospective private sector participants a comprehensive understanding?
Has the business model for the new BRT system been robustly and comprehensively stress-tested, and are the underlying assumptions reasonable and defensible?
Has the business model of the new BRT system been designed with private sector participation/investment in mind, and is it ready to receive such participation and investment?
Has competition (where relevant, such as from existing informal public transport providers, or private sector services) to the new BRT system, and its impact on operational efficacy and return, been fully considered and factored into the design?

Have all revenue opportunities been explored (variable fares, advertising, leasing of shop space in stations/terminals, etc) and where suitable, been developed and incorporated into the new BRT system's business model?
Do the projected outcomes of the new BRT system business and financial model, specifically with regards to indicators around projected revenue and costs over the lifecycle, align with local and international BRT experience in a similar context (spatial form, travel demand, demographic, socioeconomic, etc.)?
Is the new BRT system projected to generate regular profit over its lifecycle?

add one question on the route alignment - is the proposed route alignment

al Viability Tool

:he public transport service need, in a sustainable manner through an effective
ıting revenue and profit, the robustness of the business model, mitigation of technical

Please answer all questions, using the drop-down lists below to select the answer which most closely describes the current situation, provide the corresponding rationale and evidence in the "Answer Justification" column.

The design of the new BRT system is fully aligned with all relevant and applicable strategies and plans for development
The new BRT system has been designed from the outset with full adaptability for future expansion, modifications, and/or upgrades
All major possible risks have been flagged, their impact considered, and necessary plans to counter these risks implemented
The new BRT system is fully and clearly specified across all elements
The business model is believed to be robust, but there is room for further refinement and testing of the assumptions
The new BRT system has been designed for private sector participation, and is ready for such
Limited consideration has been given to competition to the new system, and the design has not been explicitly shaped to offer advantages over such

Some revenue streams (in addition to fares), have been developed into the business model, but there are likely others to consider
Projected outcomes of the new BRT systems business and financial models differ substantially from those of local and international contemporaries
The new BRT system is expected to generate regular operational profit over its lifecycle

Answer Justification

Stage 1

Poli
Over over
a
b
c
d

1.5 - Detailed Assessment - BRT Project Financial Sustainability and Commerci

cy and Political Will

·arching strategies and political desire to shape and drive development of a new BRT syste
arching policies promoting, and political support for, private sector participation in key pro

Amongst key government and related stakeholders, does consensus and will exist to push the new BRT project towards successful implementation and sustainable long-term operations?
Are key stakeholders(financiers, government agencies, operators, developers and suppliers, etc.) and their mandates and objectives clearly identified, and are these consistent with the new BRT system?
Do over-arching city and country developmental policies and strategies support and promote private sector participation in key projects such as the new BRT system?
Is there strong and sustainable political support for private sector participation in key projects such as the new BRT system?

al Viability Tool

m, and appetite for private sector participation in such. This includes consideration of
ɔjects, stakeholder consensus, and impact of outside influences.

Please answer all questions, using the drop-down lists below to select the answer which most closely describes the current situation, provide the corresponding rationale and evidence in the "Answer Justification" column.

There is strong and broad will towards ensuring the success of the new BRT system, and it is widely seen as a flagship project
All relevant stakeholders and role-players have been identified and characterised, and a large majority are consistent with the new BRT system
There is strong alignment in development policies and strategies in support of private sector participation in the new BRT system
Political support for private sector participation in the new BRT system exists; however, it is not broad-based

Answer Justification

Stage 1

Insti
The a capa
a
b
c
d
e
f

1.6 - Detailed Assessment - BRT Project Financial Sustainability and Commerci

itutional Capacity

ability of government to effectively fulfil its role around planning, designing, implementing
city and expertise to fulfil its own role as well as managing private sector participants, app

Are appropriate institutional structures in place, defining and linking the roles of relevant government stakeholders (such as between national, provincial, local levels of government, and authorities overseeing public transport, roads, land, finance/treasury, BRT management agency, enforcement, etc.) to implement and manage the new BRT system?
Does government have sufficient capacity and expertise to sustainably and successfully fulfil its role in implementation and management of the new BRT system (e.g. qualified individuals and authorities overseeing urban and public transport, roads and infrastructure, land planning and development, policing and enforcement, finance, dedicated BRT management, etc)?
Does government have sufficient capacity and expertise to sustainably facilitate and manage private sector participation in the new BRT system? (such as a public-private partnership authority, BRT management agency?)
Is an experienced and fully capacitated leadership/management cohort in place - a dedicated BRT management entity - with a clear mandate, to manage implementation and operation of the new BRT system?
Are there effective plans and systems in place to retain and build government management capacity over the lifecycle of the new BRT system?
Does government have a track record of delivering and managing large, multi-faceted, and multi-stakeholder flagship projects of similar nature to the new BRT system?

al Viability Tool

, operating, and managing a BRT system. This includes consideration of government's ropriate institutional structures, leadership, and track record.

Please answer all questions, using the drop-down lists below to select the answer which most closely describes the current situation, provide the corresponding rationale and evidence in the "Answer Justification" column.

Few structures, linkages, and mandates are in place across the relevant institutions to ensure the implementation and management of the new BRT system
Some of the required capacity and expertise is in place, but more must be done to ensure successful implementation and management of the new BRT system from government's side
Government has the necessary institutional expertise and capacity to facilitate and manage private sector participation in the new BRT system
Limited appropriate leadership and management capacity is in place to oversee implementation and operation of the new BRT system
Some plans have been developed, but there has been limited translation of these into effective systems to ensure sustainable management capacity over the new BRT system's life time
Government has no/limited experience, or unsuccessful experience, of implementation of similar multi-stakeholder projects in the last 10 years

Answer Justification

Stage 1

Part
The r parti
a
b
c
d

1.7 - Detailed Assessment - BRT Project Financial Sustainability and Commerci

icipation Model

relationships, structures, and contractual arrangements for private sector participation in E
cipants, the investment required by the participant, and the level of return on offer.

How will the private sector participant(s) be remunerated in the new BRT system?
Relative to the overall requirements of the new BRT system, what level of upfront investment will be required from private sector participant(s), equating to their overall financial exposure in the project?
What level of return on investment or profit margin is nominally on offer to private sector participant(s)?
Does the level of return on investment on offer to the private sector participant provide government, third-party stakeholders (such as donors), and ultimately the public with value for money compared to alternatives?

al ViabilityTool

3RT systems. This includes consideration of the remuneration model for private sector

Please answer all questions, using the drop-down lists below to select the answer which most closely describes the current situation, provide the corresponding rationale and evidence in the "Answer Justification" column.

Private sector participant(s) will be remunerated through their a combination of business revenue and payments from government
A low proportion (less than 20% of total costs) of upfront investment will be required from private sector participant(s)
A low level of return/margin, which nominally has the possibility of being below typical market returns in comparable opportunities
The level of return on offer provides stakeholdes with very good value for money, relative to other comparable systems and alternative initiatives

Answer Justification

Stage 1

Incu
The i of th
a
b
c
d
e
f

1.8 - Detailed Assessment - BRT Project Financial Sustainability and Commerci

mbent Operators

influence and role of incumbent operators (often largely consisting of an informal industry
e existing and nature of existing operators, their influence, possible integration into the BF

Are there existing public transport providers, particularly in the informal sector, who will be impacted by the roll-out of the new BRT system?
Without any intervention (such as licence and operational regulation, law enforcement, and physical segregation infrastructure), would existing public transport providers likely operate in competition to, and have a negative influence on, the new BRT system?
Has an incumbent operator participation model, for partial or full integration into the new BRT system, been considered?
Are affected incumbent operators generally amenable to participation/integration into the new BRT system?
Will participation/integration of affected incumbent operators have a financial implication for the new BRT system?
Does government have the plans, processes, structures, and funding (such as that to enable and oversee engagement and negotiations, business formalisation and capacitation, integration strategy, and operational performance) in place to sustainably support and manage incumbent operator participation/integration over the new BRT system lifecycle?

al ViabilityTool

of private transport service providers) in a new BRT system. This includes consideration
RT system, and the financial implications of any such integration.

Please answer all questions, using the drop-down lists below to select the answer which most closely describes the current situation, provide the corresponding rationale and evidence in the "Answer Justification" column.

An extensive and entrenched informal public transport sector exists, and will be highly impacted by the new BRT system
Existing operators will operate in competition to the new BRT system and could use their influence detrimentally against the new BRT system
A participation model has been considered, but the integration process is still in its infancy
Affected operators have expressed a willingness to explore participation/integration, but have not yet fully bought into the concept and/or engagements are still in early stages
Participation/integration of the affected incumbent operators will require specific investment by government and private sector participants
Consideration has been given to the need for these support and management systems, but design is still underway and only some of the systems are in the process of implementation

Answer Justification

Stage 1

Adja
Emer to bu
a
b
c

1.9 - Detailed Assessment - BRT Project Financial Sustainability and Commerci

acent Value

rgent value generators with potential to boost BRT system commercial returns. This includ
ndle such into the BRT system, and how these can be used to leverage additional private s

In developing and operating the new BRT system, are there tangential opportunities that emerge to generate additional value in the wider ecosystem (eg. land value capture through property development, data value capture through technology deployment, or green value capture through roll-out of renewable energy solutions)?
Will it be feasible to bundle any viable adjacent value opportunities with implementation and operation of the new BRT system, to boost overall commercial viability?
If plans exist to bundle adjacent value opportunities into the implementation and operation of the new BRT system, is the private sector participation model(s) to be employed designed to facilitate and optimise such bundling?

al Viability Tool

es consideration of the existing of potential tangential revenue opportunities, the ability
sector participation.

Please answer all questions, using the drop-down lists below to select the answer which most closely describes the current situation, provide the corresponding rationale and evidence in the "Answer Justification" column.

A number of potential adjacent value opportunities have been identified, but to date only a small number have been quantified as bankable and significant
Bundling of viable adjacent value projects within the new BRT system is being considered, and/or there are some good project candidates, but the process is still in the early stages
Limited thought has been given to the specific participation models required to leverage adjacent value for private sector participation

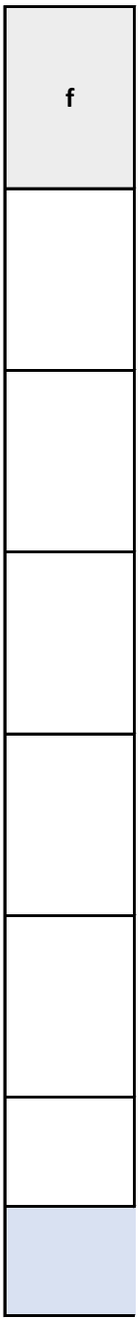
Answer Justification

BRT System Fin

The tables below sumn
- A green rating indicat
- A yellow rating indica
- A red rating indicates

Each factor is broken d

a
b
c
d
e


f

ancial Sustainability and Commercial ViabilityScore Card

narise the results of the assessment, providing the overall BRT system with a commercial viability ratin
es a system which is likely to be commercially viable and financially sustainable.
tes a system that, with focus on areas of deficiency, has a good likelihood of becoming commercially vi
a system that will require significant work in several areas for it to have a chance of becoming comme

own and also given a similar red-yellow-green rating, which provides the user with some insight into w

OVERALL SYSTEM SCORE	

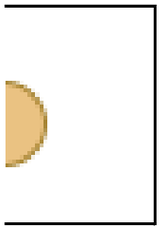
Fiscal Capacity	
Is government (and supporting stakeholders, such as donors and developmental banks) funding for the development, implementation, and operation of the new BRT system legally secure?	
Does government have the fiscal capacity (balance sheet health, good track record of collaboration with donors/DFIs) to mobilise additional and alternative finance for the BRT system on practical terms, either internally or externally?	
Has government planned and/or implemented mechanisms to mitigate against financial risk in the new BRT system? (eg. guarantees, ring-fenced cash-flows, currency hedging, etc)?	
Does government have a financial track record in implementing and operating (including servicing financial commitments) large infrastructure projects of similar nature to the new BRT system?	
Are the necessary fiscal and fiduciary relationships and mechanisms in place between government stakeholders (eg. to allow for the flow and governance of funds between city, provincial, and/or national entities) to facilitate effective, efficient, and sustainable project funding?	

Is the broader fiscal environment (financial and economic outlook) in the city and country likely to be attractive to private sector participants to the new BRT system (is the city/country seeing strong and sustainable economic growth which supports prospects for return on investments)?	
OVERALL FACTOR SCORE	

g:

able and financially susta
rcially viable and financial

hich critical areas of the E



a
b
c
d
e

f
g

inable.
lly sustainable.

3RT work is required to improve the system's commercial viability.

Legal and Regulatory Framework	
Is a clear, organised, and efficient legal process in place for the arrangement, procurement, and operation of private sector participation in the BRT system?	
Are the legal and regulatory provisions agnostic with respect to the nature, such as nationality, of the private sector participant (eg. impartial and fair to an international participant)?	
Is the authorisation in place to implement the compensation for incumbent operators and/or related affected stakeholders?	
Does the city/country have a regulatory track record in procuring, implementing, and sustaining private sector participation in large infrastructure projects of similar nature to the new BRT system?	
Does the legal and regulatory framework stipulate the requirements and responsibilities for government in implementing and operating a new BRT system?	

Based on the World Bank's 'Ease of Doing Business' analysis (www.doingbusiness.org), is the broader business regulatory environment (eg. key employment laws, tax obligations, investment protection regulations, foreign exchange controls, and similar?) in the city/country conducive to efficient private sector participation?	
Does the legal and regulatory framework provide enforceable rights for private sector participants to secure/protect their investments (eg. step-in rights)?	
OVERALL FACTOR SCORE	

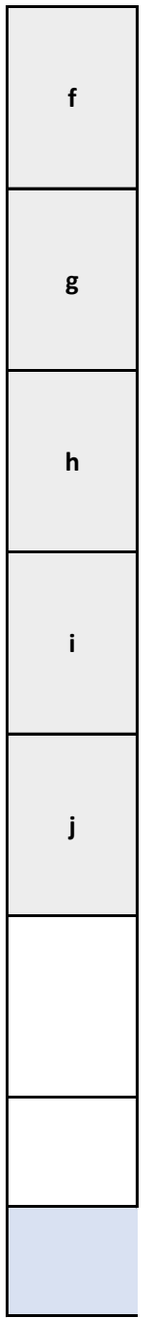
a
b
c
d
e

f
g

Market Dynamics	
Are the volumes and patterns of demand in the new BRT system's targeted corridors and catchment areas sufficient (current and projected) to support the system's roll out?	
What is the new BRT system's capacity to meet demand?	
What is the willingness or ability of the new BRT system's targeted market to pay for services rendered?	
Does modelling and market-sounding indicate that the new BRT system's revenues and margins (underpinned by demand, capacity, and willingness/ability to pay) would support and be attractive to private sector participation?	
Will the new BRT system fare levels be dynamically adjusted, on an ongoing basis, to ensure the system can optimise profitability?	

Will fare levels for the new BRT system be controlled in a manner disconnected from market forces (eg. increased operational costs)?	
Has the demand for the new BRT system been projected in a sound and credible manner, with full consideration for local context and the experience of similar projects?	
OVERALL FACTOR SCORE	

a
b
c
d
e


f
g
h
i
j

System Design and Business Model	
Is the new BRT system aligned with master strategies and planning for land use, mobility, and related development?	
Is the design of the new BRT system sufficiently flexible, to allow for future expansion and changes as may be desired (eg. to integrate with other modes of transport or upgrade with newer technology such as electric vehicles)?	
Have all direct and indirect risks to the new BRT system in design, financing, implementation, operations, and maintenance (including environmental, climate, and social) been identified, fully quantified/qualified, and appropriate mitigative actions been put in place?	
Is the new BRT system clearly and comprehensively described in formal plans and related documents (such as a business plan, design plans, cost and financial models, environmental impact assessment, etc) to allow prospective private sector participants a comprehensive understanding?	
Has the business model for the new BRT system been robustly and comprehensively stress-tested, and are the underlying assumptions reasonable and defensible?	

Has the business model of the new BRT system been designed with private sector participation/investment in mind, and is it ready to receive such participation and investment?	
Has competition (where relevant, such as from existing informal public transport providers, or private sector services) to the new BRT system, and its impact on operational efficacy and return, been fully considered and factored into the design?	
Have all revenue opportunities been explored (variable fares, advertising, leasing of shop space in stations/terminals, etc) and where suitable, been developed and incorporated into the new BRT system's business model?	
Do the projected outcomes of the new BRT system business and financial model, specifically with regards to indicators around projected revenue and costs over the lifecycle, align with local and international BRT experience in a similar context (spatial form, travel demand, demographic, socioeconomic, etc.)?	
Is the new BRT system projected to generate regular profit over its lifecycle?	
OVERALL FACTOR SCORE	

a
b
c
d

Policy and Political Will	
Amongst key government and related stakeholders, does consensus and will exist to push the new BRT project towards successful implementation and sustainable long-term operations?	
Are key stakeholders(financiers, government agencies, operators, developers and suppliers, etc.) and their mandates and objectives clearly identified, and are these consistent with the new BRT system?	
Do over-arching city and country developmental policies and strategies support and promote private sector participation in key projects such as the new BRT system?	
Is there strong and sustainable political support for private sector participation in key projects such as the new BRT system?	

OVERALL FACTOR SCORE	

a
b
c
d
e

f

Institutional Capacity	
Are appropriate institutional structures in place, defining and linking the roles of relevant government stakeholders (such as between national, provincial, local levels of government, and authorities overseeing public transport, roads, land, finance/treasury, BRT management agency, enforcement, etc.) to implement and manage the new BRT system?	
Does government have sufficient capacity and expertise to sustainably and successfully fulfil its role in implementation and management of the new BRT system (e.g. qualified individuals and authorities overseeing urban and public transport, roads and infrastructure, land planning and development, policing and enforcement, finance, dedicated BRT management, etc)?	
Does government have sufficient capacity and expertise to sustainably facilitate and manage private sector participation in the new BRT system? (such as a public-private partnership authority, BRT management agency?)	
Is an experienced and fully capacitated leadership/management cohort in place - a dedicated BRT management entity - with a clear mandate, to manage implementation and operation of the new BRT system?	
Are there effective plans and systems in place to retain and build government management capacity over the lifecycle of the new BRT system?	

Does government have a track record of delivering and managing large, multi-faceted, and multi-stakeholder flagship projects of similar nature to the new BRT system?	
OVERALL FACTOR SCORE	

a
b
c
c

Participation Model	
How will the private sector participant(s) be remunerated in the new BRT system?	
Relative to the overall requirements of the new BRT system, what level of upfront investment will be required from private sector participant(s), equating to their overall financial exposure in the project?	
What level of return on investment or profit margin is nominally on offer to private sector participant(s)?	
Does the level of return on investment on offer to the private sector participant provide government, third-party stakeholders (such as donors), and ultimately the public with value for money compared to alternatives?	

OVERALL FACTOR SCORE	

a
b
c
d
e

f

Incumbent Operators	
Are there existing public transport providers, particularly in the informal sector, who will be impacted by the roll-out of the new BRT system?	
Without any intervention (such as licence and operational regulation, law enforcement, and physical segregation infrastructure), would existing public transport providers likely operate in competition to, and have a negative influence on, the new BRT system?	
Has an incumbent operator participation model, for partial or full integration into the new BRT system, been considered?	
Are affected incumbent operators generally amenable to participation/integration into the new BRT system?	
Will participation/integration of affected incumbent operators have a financial implication for the new BRT system?	

Does government have the plans, processes, structures, and funding (such as that to enable and oversee engagement and negotiations, business formalisation and capacitation, integration strategy, and operational performance) in place to sustainably support and manage incumbent operator participation/integration over the new BRT system lifecycle?	
OVERALL FACTOR SCORE	

a
b
c

Adjacent Value	
In developing and operating the new BRT system, are there tangential opportunities that emerge to generate additional value in the wider ecosystem (eg. land value capture through property development, data value capture through technology deployment, or green value capture through roll-out of renewable energy solutions)?	
Will it be feasible to bundle any viable adjacent value opportunities with implementation and operation of the new BRT system, to boost overall commercial viability?	
If plans exist to bundle adjacent value opportunities into the implementation and operation of the new BRT system, is the private sector participation model(s) to be employed designed to facilitate and optimise such bundling?	

OVERALL FACTOR SCORE	